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CONCORD, N.H.

Mr. Byron R. Redman, Chairman  
New Hampshire Racing Commission  
Concord, New Hampshire

Dear Mr. Redman:

You have inquired whether Revised Laws, chapter 171, section 11, requires the New Hampshire Racing Commission to have on file both the legal and equitable owners of the stock of the New Hampshire Jockey Club, Inc.

In my opinion the law requires an applicant for a license to conduct a parimutuel meet in New Hampshire to furnish your Commission with an accurate and complete list of the names and addresses of its directors and stockholders as a condition precedent to entitlement to receipt of a license to conduct such a meet. In order for such a list to be complete within the meaning of our law it must disclose actual directors and actual stockholders of the applicant as distinct from nominees, trustees, or straws. Names must show full legal and equitable ownership of the stock in question.

The purpose of the statute is to confer upon the Racing Commission in the name of the State of New Hampshire a supervisory and regulatory function which involves a discretion to deny a license. Such a license is a privilege and not a right and it may be granted by the State or withheld at the State's pleasure. As stated by our Supreme Court in North Hampton Association v. Commission, 94 N.H. 156, 159:

" . . . The statute deals with a private enterprise which, of its nature, is not only privileged, but which presents a social problem properly coming under the exercise and jurisdiction of the police power of the State and which requires strict regulation and supervision. . . ."

C O P Y

The obligation of any applicant for a license to insure that full disclosure of its stock ownership is made to the State Racing Commission is very plain. In view of the mandatory loss of license should control of more than 50 per cent of the stock change hands legally or equitably after a license has been granted (L. 1947, c. 280, s. 2), it is incumbent upon your Commission in the performance of its duty as such a supervising regulatory body to take such steps as are required to satisfy yourselves that the persons whose names have been submitted to you by the applicant for license to conduct a pari-mutuel meet are in fact the actual owners, legally and equitably, of said stock.

Thus, to be specific, it is my opinion that the law as presently written requires the New Hampshire Jockey Club to keep your Commission advised of its actual stock ownership, which would include the names and addresses of beneficiaries of any trust under which the trustee-nominee appears upon the records as the purported stockholder and the names of the individual beneficial stockholders in any arrangement with any brokerage house wherein said brokerage house appears upon the stock list as a purported stockholder when not in fact the real owner of the stock.

Likewise, in my opinion it is a violation of the requirements of chapter 171 to have said stock ownership reported to your Commission by straw. By this is meant that it is improper and unlawful to report a name to the Commission as stockholder from a fictitious address for the reason that the requirement of the address of each stockholder being submitted to your Commission is one which is of equal force and effect with the name.

The statement of an address, either "Care of Racing Commission" or "Care of N. H. Jockey Club" or merely, "Salem, New Hampshire" is not in compliance with the substantial meaning and purpose of section 10 (c). By the word, address, as appears therein it is my opinion that the General Court intended that addresses of stockholders should reflect either their personal residence or their principal place of business or other domiciliary or residential description which eases the problem of their personal identification as connected with a corporation carefully regulated by your Commission under the police powers of the State.

Sincerely,

Louis C. Wyner  
Attorney General

W/d